

About this report - general information

With this stand-alone sustainability report, ipf electronic gmbh informs its stakeholders about the company's environmental and social performance.

The reporting period corresponds to the fiscal year 2022, i.e. the period from January 1, 2022 to December 31, 2022.

The report covers the ipf electronic gmbh site in Altena (Germany).

ipf electronic gmbh
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Editorial note

For better readability, we refer to employees throughout this report. This naturally refers to all genders: female, male and diverse. The same applies to similar terms such as participant, representative, etc.

Framework and reporting

In preparing this Sustainability Report, we have followed the Sustainability Reporting Standards of the Global Reporting Initiative (GRI). It is our ambition to successively expand and extend the report. Our Sustainability Report will be produced for the first time in 2023.

"With our wide product variety, high problem-solving competence and strong service orientation, we are unique as a top supplier of industrial sensor technology.

Sustainability is not only an outstanding trend of our time, but above all an awareness of the responsible use of the resources available to us.

Our efforts are aimed at a future for our company, our customers and society that is characterized by sustainability. We can only achieve this goal by joining forces, in partnerships and cooperations."

Dirk Neuhaus, Managing Director

Our values and our actions

ipf electronic gmbh as a manufacturer and supplier of state-of-the-art industrial electronics is a future-oriented company with a clear commitment to the company location in the Sauerland region. In this sense, the managing partners and the management fulfill their entrepreneurial tasks with foresight and responsibility for people and the environment.

Our declared goals are profitability and sustainable growth, satisfied partners and customers as well as highly motivated employees as the decisive basis for economic success. Against this background, the continuous development of our employees is of particular importance to us, so that they are given the opportunity to develop with great passion and a high degree of personal responsibility in their operational area of responsibility. As experts with a high level of expertise in the requirements and needs of our customers, our employees are also required to act in a goal-oriented manner on a daily basis.

Entrepreneurial foresight and financial independence ensure the existence and long-term continuity of ipf electronic gmbh for the benefit of all the people who work in and for the company. The company management is aware of its public and social responsibility and always acts as a reliable partner and employer towards customers, suppliers.

Transparent communication

Communication is the be-all and end-all of good cooperation. That is why we attach great importance to communication in a spirit of partnership as well as regular and transparent information for the entire

workforce. Through our internal company forum, team meetings, department meetings, department head meetings and management circle meetings, supervisors and management inform all colleagues about, for example, business developments, customer requests, market developments or new company agreements. Minutes and entries of the meeting are also available to all colleagues concerned who were unable to attend. Our forum provides comprehensive information on current topics and developments in the company as required.

Once a year, an end-of-year meeting is held between the employee and his or her supervisor to discuss personal goals, performance, etc.

Sustainability

The overall responsibility for the topic of sustainability is borne by the management of ipf electronic gmbh. It is advised by the QM and the specialist departments several times a year and decides on important sustainability topics. For us, sustainability means reconciling long-term economic success with environmental protection and our social responsibility. The aim is to strengthen awareness of sustainable business and anchor it in all areas of the company.

We are motivated to continuously improve our sustainability efforts to meet the needs and expectations of our stakeholders. We have identified five priority issues as part of our sustainability strategy.

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- - Environment and ecology
- - Society and social issues
- - Employees, occupational health and safety
- - Combating corruption and bribery
- - Respect for human rights

Dialog with our stakeholders

We maintain trusting and long-term partnerships with our stakeholders. In this context - as in our dealings within the company - it is important to us that we treat each other in a cooperative, respectful and constructive manner. We see ourselves as part of this society.

Constructive exchange and dialog with our key stakeholders is therefore very important to us. In dialog, we seek to understand the views of our stakeholders, build trust and deepen existing partnerships. This helps us to identify possible and necessary steps and what steps are expected of us. At the same time, the company can use dialog to present what scope for action it sees in social issues and environmental matters, and what preconditions or framework conditions are important to us.

The main interest groups for ipf electronic gmbh are: Legislators, employees, residents/neighbors, suppliers, customers, shareholders, competition and banks/insurers.

The identification of the most important stakeholders and the determination of the relevant topics takes place annually in the course of the context and stakeholder analysis for our quality management system ISO EN DIN 9001 and is adjusted if necessary.

Identification of material issues relating to sustainability

In 2022, we analyzed the main economic, environmental and social aspects that have a material impact on the company from an internal and external perspective.

Responsibility for the environment	Responsibility for employees and people	Responsibility for safety	Responsibility for products	Responsibility for society
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<ul style="list-style-type: none"> + Emission and climate change + Energy consumption + Raw material and material consumption + Waste 	<ul style="list-style-type: none"> + Fair and appropriate remuneration + Personnel development, training and continuing education + Employee health and safety + Work-life balance + Employee/employer relationship + Diversity and equal opportunities 	<ul style="list-style-type: none"> + Customer health and safety + Data privacy + Corruption and anti-competitive behavior 	<ul style="list-style-type: none"> + Product portfolio and durability + Product/machine safety + Product efficiency 	<ul style="list-style-type: none"> + Conflict minerals + Respect for human rights, child and forced labor. + Local economic development + Social engagement
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Legal conformity and compliance

As the highest decision-making body, management takes the precautionary principle into account in all business decisions. In addition to compliance with legal requirements, our internal company policies and the interests of key stakeholder groups are taken into account.

Internal company codes, guidelines and standards

ipf electronic gmbh does not tolerate corrupt or criminal behavior and expressly distances itself from human rights violations. In addition to the legal framework, our internal company codes, guidelines and our quality management system provide the framework for action. We comply with all legal and statutory requirements to the best of our knowledge and belief.

Code of Conduct for Suppliers and Participation in the Supply Chain Due Diligence Act

ipf electronic gmbh places the same expectations and conditions on its suppliers as it does on itself. These are defined in a binding code of conduct for suppliers.

Ethical and legal framework conditions are defined therein for social and ecological standards, e.g. with regard to human rights, corruption or conflict minerals such as raw materials and mineral resources that are mined or extracted in conflict areas.

Our suppliers are obligated to inform ipf electronic gmbh immediately if they become aware of human rights risks and environmental violations in accordance with the German Supply Chain Due Diligence Act (LkSG).

Tracking of potential conflict minerals

Competition for natural resources such as minerals, oil and charcoal, contributes to the systematic violation of human rights and environmental pollution worldwide.

Proceeds from the extraction of these commodities help fuel armed conflict and finance civil wars. The production or mining of these materials often takes place illegally and outside state control, controlled by groups of rebels or militias, and at the expense of the miners.

ipf electronic gmbh is determined to make its contribution to minimizing human rights violations and environmental pollution. Therefore, ipf electronic gmbh supports the goals of the US Dodd-Frank Act, as well as the EU regulations on conflict minerals to disclose the origin of risky minerals used in our products. Should this reveal the use of a raw material supplier that is linked to human rights violations and environmental pollution, we react consistently and work to ensure that this supplier critically examines the raw material supplier in question and removes it from the joint supply chain. The possibilities of ipf electronic gmbh to work towards a worldwide completely conflict-free processing of raw materials, e.g. in the smelters, within the framework of its supply chain are unfortunately very limited.

Environment and climate

Climate change concerns us all; together we must take on this responsibility. ipf electronic gmbh considers itself responsible for consistently further reducing the CO₂ emissions of its business activities and supply chain. This also includes using our natural resources sparingly and avoiding waste wherever possible. We permanently strive to reduce our ecological footprint with our products and solutions as well as with efficient processes and production methods.

Energy

Climate-friendly manufacturing and energy supply for our company building at the new site was an important part of our sustainability strategy. As a result, we have made a visible contribution to the fight against climate change within the scope of our possibilities.

To this end, we obtain our electricity from our own 199 kWp photovoltaic system with 320 modules and supplement this with certified green electricity from renewable sources as required. An efficient heat recovery system also greatly reduces our need for natural gas during the cold season.

For lighting, we rely 100% on modern LED technology, coupled with motion detectors in the hallways, for example.

In 2022, we purchased 240.5 MWh (2021: 287.7 MWh) of electricity from the public grid.

The 190 MWh (2021: 170 MWh) of electricity generated by our photovoltaic system in 2022 was mainly used by our company.

Heat and water consumption

For the heat required at our site, we use state-of-the-art heat pump technology with efficient heat recovery. Only from an outside temperature of -4 C° does additional heating with natural gas have to be used, if necessary. Gas consumption in 2022 was 210,012 kWh (2021: 683,744 kWh).

Since little water is required for our production, our highest water consumption is in the sanitary area. Here, we rely on economy buttons for WC flushes and sensor control on faucets. Water consumption in 2022 was 1,074 m³ (2021: 971 m³).

Waste and paper

In manufacturing, ipf electronic gmbh uses numerous materials whose procurement, transport, use and disposal have an impact on people and the environment. Possible negative effects must be avoided or reduced to a minimum. Avoiding waste has the highest priority. In the area of our waste management, separate and safe disposal is therefore very important to us - depending on the type of waste and the recycling process. We record and classify the quantities generated for recycling or disposal locally, distinguishing between hazardous and non-hazardous waste.

Our aim is to keep material consumption and disposal volumes as low as possible from a cost and environmental perspective. As part of the digitization of our business processes, we have converted billing and invoicing to digital and thus paperless processes.

In addition, we encourage our employees to minimize the use of paper.

Mobility

Due to our product portfolio, it is necessary to provide our customers with targeted advice on site, in some cases to jointly develop plant systems or to support them in optimizing the use or training of employees. This usually requires our employees to travel accordingly. Our customers are located inside and outside Germany, which influences the kilometers traveled or the choice of means of transport.

In 2022, our company fleet comprised 32 cars including company vehicles of the management (2021: 33), of which 3 vehicles have a hybrid drive. Purely electric vehicles are not currently used.

In 2020, we installed a total of 3 e-car charging stations on the company premises and in 2022 we added another 4 charging stations. Charging e-cars at our charging stations is free of charge for our employees

and customers. We intend to continue supporting this in the future, although many colleagues fortunately also come to work by bicycle or public transport due to the regional location.

Shipping our products and transport packaging

When shipping our products, we work together with renowned logistics companies. Since we cannot shorten the transport distances to our customers, we always try to avoid unnecessary transports. If possible, we send our products to our customers as a collective order and avoid unnecessary partial deliveries.

When it comes to the packaging and transport packaging of our products, the rule is always as little as possible and as much as necessary.

If cartons need to be padded, we use recycled paper instead of plastic. If tubular bags are required, we will only use recyclable materials in the future.

But we think a little further ahead here and bring regional service providers on board so that delivery routes can be shortened and unnecessary emissions avoided.

Promoting biodiversity

More habitat for bees & co. - In the case of the green spaces and slopes around the building, the focus is not on simple maintenance, but rather on more ecologically sensible use. For this reason, areas with bee-friendly plants, including insect hotels, were created here in 2022. Here we can count on the commitment of our employees, because they are so enthusiastic about this idea that a team has dedicated itself to this task in its spare time.

Occupational health and safety

The health and well-being of our employees is a top priority for us. As preventive measures, we offer our employees regular and ongoing occupational health examinations, flu vaccinations, and a wide range of sports activities (company rate climbing gym, job bike, etc.). In the course of 2023, we plan to introduce a health management system for the company.

Our managers encourage every employee to take responsibility for themselves and their colleagues, and allow our employees the greatest possible flexibility in their work schedules to balance their private and professional lives - as far as operational needs allow.

Compliance with data protection

Handling the personal data of our customers, partners and employees in a legally compliant and trustworthy manner is our top priority. For the European Union's General Data Protection Regulation (EU GDPR), which has applied in all member states since May 2018, we have scrutinized our existing processes and improved them where necessary.

In implementing the legal requirements, our data protection officer has been supported and advised by an external service provider since 2022. For the reporting year 2022, we were not aware of any events indicating a data protection breach that required reporting.

Information security

Protecting our business and trade secrets as well as sensitive data is existential for us as an internationally operating technology company with high innovative strength. In times of advancing digitization and networking of our society, the threat of cyber espionage and sabotage is also growing. Information security enjoys a very high priority in our company, because attacks on the IT infrastructure can lead to the loss or violation of the integrity of this sensitive and confidential data.

Our IT department and other specialist departments work continuously to identify, analyze and evaluate potential vulnerabilities. Based on these findings, suitable protective mechanisms are integrated into our existing information security environment and their effectiveness is monitored.

In addition to technical and organizational measures, our employees and their awareness in handling sensitive and confidential data play a very important role. With the support of an external service provider, online training sessions on the subject are held regularly. Participation is mandatory for all employees. Our existing information security environment is subject to constant further development in order to protect our business and trade secrets as well as sensitive data in the best possible way.

Efficient and digital processes

In recent years, we have digitized an increasingly large part of our processes. The restrictions imposed by the Corona pandemic in 2022 further encouraged this. For example, mobile workplaces were offered wherever operational needs allowed, and up to 100 percent of working hours were made possible from home offices during the Corona crisis. Due to the travel restrictions, we converted our customer advisory services to digital solutions in some cases.

Diversity strengthens our competitiveness

For us, diversity not only means equal opportunities, but also a gain in innovative strength and competitiveness. For ipf electronic gmbh, a workforce composed of different cultures, an appropriate gender balance and a balanced age structure are part of the corporate culture we live by. In 2022, ipf electronic gmbh had 140 employees from more than 10 nations. The proportion of female employees was approximately 48 percent.

Family-friendly company

We have been awarded and certified as a "family-friendly company".

For the second time in a row, we were awarded the title "Top Company" by the rating portal Kununu. ipf electronic gmbh is happy to welcome a new generation of its employees and welcomes the new born with a basic baby kit in the "IPF JUNIOR TEAM".

We stand by our employees when relatives in need of care affect the work-life balance. For this purpose, we have trained two care guides in the company who provide advice and support.

Regional and social commitment

Two examples of projects that we at ipf electronic gmbh are happy to support:

"Helping is strong" is the motto of Johanniter-Unfall-Hilfe, which has been successfully teaching children "first aid" in daycare centers, kindergartens, schools, and youth groups for years. The Johanniter are supported by the hand puppets Jonah and Joni.

To reinforce what they have learned, they have joined forces with K&L Verlag to develop an easy-to-understand coloring, game, and workbook, as well as a poster and an app, which contain essential components of a teaching package for children aged five to eleven. We think: This is a good thing!

That's why it didn't take ipf electronic gmbh long to convince us to support this project. Thus, the coloring and workbooks, the posters and the app can be distributed free of charge in the kindergartens in the Lenne-Volme region, in order to bring the topic of "first aid" closer to the children.

"Soccer hasn't just been for boys for a long time!" So it is emblazoned on the website of the Lüdenscheid Women's Soccer Club. The girls, starting at age 10, train hard to earn the next spots in the league. However, in addition to the female soccer players, the coaches also bring a very special commitment - they offer a shuttle service to the club's youth groups. For this purpose, the 2021 club bought its own van to take the girls to training sessions and matches.

A project absolutely worth supporting for ipf. So the decision was quickly made that we would be happy to help finance the maintenance costs of the FFC shuttle.

Innovation management

Our employees are our know-how. When they develop ideas and creative solutions in their own area of work and beyond, we not only listen to them, but also offer a way of rewarding them with our suggestion scheme and the associated bonus model.

Securing our next generation with training

We train our future specialists and we are pleased to be able to accompany young people on their exciting training path. We are currently training an IT specialist and a warehouse specialist.

Promotion of science, education and professional development

ipf electronic gmbh regularly offers internships for pupils and students. Currently, our development team is supported by a prospective electrical engineer.

Legal notice ipf electronic gmbh

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Please send any questions regarding our sustainability report to:

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